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TO: Innsbruck in Aurora Homeowners Association  
RE: Insurance Claim, Adjustment, and Deductible Procedures  
FROM: Board of Directors  
DATE: January 14, 2019

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The following Insurance procedures were adopted by the Board of Directors on January 7, 2019 for the benefit and protection of the Association and its members. It will allow the Association to assess the applicable deductible to the unit owner(s) and allow the Association to assess the applicable deductible to the unit owner(s) responsible for the injury or damage and ensure that only valid claims are submitted to the Casualty Insurance maintained by the Association and verify that each claim is accompanied by all necessary information

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Please read the attached insurance information, a copy will also be placed on the Association's website.

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## INSURANCE CLAIM, ADJUSTMENT, AND DEDUCTIBLE PROCEDURES

The following Procedures were adopted by resolution of the Board of Directors of Innsbruck in Aurora ("the Association") pursuant to Colorado law at a regular meeting of the Board.

These Insurance Policies revoke and replace any and all Insurance Claim Procedures previously adopted by the Association.

### RECITALS:

- A. Article 11 of the Amended and Restated Declaration of Innsbruck ("Declaration") requires that the Association maintain certain policies of insurance.
- B. Section 11.2 of the Declaration provides the Association shall obtain and maintain casualty insurance with extended coverage and all risk endorsements on the Townhouses and the Common Areas ("Casualty Insurance"). The Casualty Insurance obtained by the Association on the Townhomes is not required to insure: (1) improvements or betterments installed by the Owners, or (2) personal property of the Owners.
- C. Section 11.15 of the Declaration states that Unit Owners should carry other insurance on their Lot and personal property on their Lot, including casualty insurance for all areas for which the Owner has a maintenance responsibility. Insurance on personal property should include all furnishings, fixtures, appliances, and equipment within the Townhome.
- D. Section 11.11 of the Declaration authorizes the Association to adopt insurance guidelines.
- E. It is the intent of the Board of Directors to adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and other matters of claim adjustment. To the extent the Association settles claims for damages to real property in accordance with Article 11 of the Declaration supplemented by the terms in this document.
- F. Pursuant to Colorado Revised Statute ("C.R.S.") 10-4-110.8(5), an Owner must meet certain conditions before filing a claim against the Association's insurance policy.
- G. For the benefit and protection of the Association and its Members, the Board deems it desirable to establish and operate under the following Procedures to: (1) allow the Association to manage its risk for property and casualty claims; (2) allow the Association to assess the applicable deductible to the Unit Owner(s) pursuant to Section 11.6 as clarified and supplemented below; (3) allow the Association to assess the applicable deductible to the Unit Owner(s) responsible for the injury or damage; (4) ensure that only valid claims are submitted to the Casualty Insurance

maintained by the Association; and (5) verify that each claim is accompanied by all necessary information.

**THEREFORE, IT IS RESOLVED:**

1. The Association is not required to nor does the Association maintain property insurance ("Casualty Insurance") to cover damage or loss to any betterments, improvements, fixtures, decorating, furniture, furnishings, appliances, or other personal property supplied, installed, or stored by the Owners within the Lot.

2. The Association strongly recommends that Owners obtain and maintain casualty insurance to cover those items that the Association does not cover.

3. To the extent the Association settles a claim for damage to real property, the Board of Directors, after providing the Unit Owner with notice and an opportunity to be heard, may assess the applicable deductible to that Lot Owner provided:

a. the property damage is within the boundary of the Owner's Lot;

b. the property damage is to another Lot within the Innsbruck community, and the damage or injury was the proximate cause of the negligent or intentional acts or omissions of the Lot Owner, the occupant of the Lot, or their family members, guests, or invitees ("Responsible Party"); or

c. the property damage is to the Common Area (as defined in the Declaration) and the damage or injury was the proximate cause of the negligent or intentional acts or omissions of the Responsible Party.

4. To the extent the Association settles a claim for damage to real property the Board of Directors may elect to fund the applicable deductible as a Common Expense of the Association:

a. the property damage is to the Common Elements (as defined in the Declaration) and the cause of damage or injury is not related to the negligent acts or omissions of the Responsible Party;

b. the property damage is to property located on a Lot within the Innsbruck community and the property damage or injury has been established to be the proximate cause of the Association's intentional or negligent acts or omissions; or

c. in other circumstances where the Board of Directors, exercising its business judgment believes it is in the best interest of the Association and/or the Innsbruck community to pay the deductible as a Common Expense.

5. The notice and opportunity to be heard as required above shall be consistent with the notice and hearing procedures outlined in the Association's Enforcement Policy.

6. Any deductible assessed to a Lot Owner shall be collectable in the same manner as the common expense assessments.

7. The Procedures below shall apply to all insurance claims initiated by an Owner against the insurance policy maintained by the Association, and must be followed by the Owner before a claim can be filed on against policies of insurance maintained by the Association.

a. The Owner must provide written notice to the Association, in care of the Association's Managing Agent, or the Association's Registered Agent, as reflected in the records of the Colorado Secretary of State, within 10 days of any incident where the Owner wishes to file a claim against the Association's insurance policy.

b. The written notice must describe in reasonable detail the incident and the initial information regarding the scope and extent of any damage, as well as the cause of any damage, and shall also include the following:

1. Owner's address, phone number, and the address of the Lot where the incident occurred if different from the Owner's address;
2. The time, location and events surrounding the incident, in reasonable detail;
3. Identification of the damaged property, including the address where the damaged property was located, identification of the name and contact information of the owner(s) of damaged property, identification of the names and contact information of any injured parties, all as applicable to the incident; and
4. The names and addresses of any and all witnesses.

c. The Association will respond in writing to the Lot Owner within fifteen (15) days, of the date written notice and relevant information is received by the Association.

d. The Association's response may be contingent on the Association's insurance agent having a reasonable opportunity to inspect the damage, injury, and facts related to the incident or claim. Any such inspection shall be completed within 30 days of the Association's written response.

e. Should the Board determine that the incident and/or claim falls within the Association's insurance responsibility, the Board shall submit the claim to the Association's insurance carrier on behalf of the Owner, in compliance with the requirements of the insurance policy.

f. If the Association's Insurance agent or adjuster, after the inspection of the damage and the probable cause of the damage determines that the subject matter of

the claim falls outside the Association's insurance responsibilities, no claim may be filed against the Association's policy.

g. The Lot Owner or the Board may at any time request clarification of coverage from the Association's insurance carrier. The Association's insurance carrier, when determining premiums to be charged to the Association, shall not take into account any request by a Lott Owner or the Board for a clarification of coverage.

In the event a Court of competent jurisdiction finds a provision of this collection policy void or otherwise unenforceable, the other provisions shall remain in full effect.

These Procedures were adopted this 7 day of January 2019, by resolution of the Board of Directors of Innsbruck in Aurora

Innsbruck in Aurora, a Colorado nonprofit Corporation

By Maria S. Baker  
Its PRESIDENT